



Reprinted
February 24, 2004

ENGROSSED HOUSE BILL No. 1320

DIGEST OF HB 1320 (Updated February 23, 2004 5:43 pm - DI 104)

Citations Affected: IC 6-1.1; IC 12-15; IC 12-29; noncode.

Synopsis: Human services. Provides that the maximum appropriation and tax levy for community mental health centers must be annually recalculated based on the increase in the assessed value growth quotient. Separates the laws concerning financing community mental health centers from the laws concerning financing community mental retardation and other developmental disabilities centers. Allows the office of Medicaid policy and planning to make alternative payments to hospitals if the federal Centers for Medicare and Medicaid Services determines that the current payments are not eligible for federal financial participation. Requires the select joint commission on Medicaid oversight to study certain effects resulting from the repeal of continuous eligibility under the Indiana Medicaid program and the children's health insurance program. Repeals an obsolete provision.

Effective: July 1, 2003 (retroactive); December 12, 2003 (retroactive); January 1, 2004 (retroactive); July 1, 2004.

Hasler, Crawford, Frizzell, Espich

(SENATE SPONSORS — MILLER, SIMPSON)

January 15, 2004, read first time and referred to Committee on Ways and Means.
January 29, 2004, amended, reported — Do Pass.
February 2, 2004, read second time, amended, ordered engrossed.
February 3, 2004, engrossed.
February 5, 2004, read third time, passed. Yeas 90, nays 2.

SENATE ACTION

February 9, 2004, read first time and referred to Committee on Health and Provider Services.
February 12, 2004, amended, reported favorably — Do Pass.
February 23, 2004, read second time, amended, ordered engrossed.

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EH 1320—LS 7190/DI 92+



Reprinted
February 24, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1320

A BILL FOR AN ACT to amend the Indiana Code concerning
human services.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-18-12, AS ADDED BY P.L.1-2004,
2 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 DECEMBER 12, 2003 (RETROACTIVE)]: Sec. 12. (a) For purposes
4 of this section, "maximum rate" refers to the maximum:
5 (1) property tax rate or rates; or
6 (2) special benefits tax rate or rates;
7 referred to in the statutes listed in subsection (d).
8 (b) The maximum rate for taxes first due and payable after 2003 is
9 the maximum rate that would have been determined under subsection
10 (e) for taxes first due and payable in 2003 if subsection (e) had applied
11 for taxes first due and payable in 2003.
12 (c) The maximum rate must be adjusted:
13 (1) each time an annual adjustment of the assessed value of real
14 property takes effect under IC 6-1.1-4-4.5; and
15 (2) each time a general reassessment of real property takes effect
16 under IC 6-1.1-4-4.
17 (d) The statutes to which subsection (a) refers are:

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1 (1) IC 8-10-5-17;
 2 (2) IC 8-22-3-11;
 3 (3) IC 8-22-3-25;
 4 (4) IC 12-29-1-1;
 5 (5) IC 12-29-1-2;
 6 (6) IC 12-29-1-3;
 7 ~~(7) IC 12-29-2-13;~~
 8 ~~(8)~~ (7) IC 12-29-3-6;
 9 ~~(9)~~ (8) IC 13-21-3-12;
 10 ~~(10)~~ (9) IC 13-21-3-15;
 11 ~~(11)~~ (10) IC 14-27-6-30;
 12 ~~(12)~~ (11) IC 14-33-7-3;
 13 ~~(13)~~ (12) IC 14-33-21-5;
 14 ~~(14)~~ (13) IC 15-1-6-2;
 15 ~~(15)~~ (14) IC 15-1-8-1;
 16 ~~(16)~~ (15) IC 15-1-8-2;
 17 ~~(17)~~ (16) IC 16-20-2-18;
 18 ~~(18)~~ (17) IC 16-20-4-27;
 19 ~~(19)~~ (18) IC 16-20-7-2;
 20 ~~(20)~~ (19) IC 16-23-1-29;
 21 ~~(21)~~ (20) IC 16-23-3-6;
 22 ~~(22)~~ (21) IC 16-23-4-2;
 23 ~~(23)~~ (22) IC 16-23-5-6;
 24 ~~(24)~~ (23) IC 16-23-7-2;
 25 ~~(25)~~ (24) IC 16-23-8-2;
 26 ~~(26)~~ (25) IC 16-23-9-2;
 27 ~~(27)~~ (26) IC 16-41-15-5;
 28 ~~(28)~~ (27) IC 16-41-33-4;
 29 ~~(29)~~ (28) IC 20-5-17.5-2;
 30 ~~(30)~~ (29) IC 20-5-17.5-3;
 31 ~~(31)~~ (30) IC 20-5-37-4;
 32 ~~(32)~~ (31) IC 20-14-7-5.1;
 33 ~~(33)~~ (32) IC 20-14-7-6;
 34 ~~(34)~~ (33) IC 20-14-13-12;
 35 ~~(35)~~ (34) IC 21-1-11-3;
 36 ~~(36)~~ (35) IC 21-2-17-2;
 37 ~~(37)~~ (36) IC 23-13-17-1;
 38 ~~(38)~~ (37) IC 23-14-66-2;
 39 ~~(39)~~ (38) IC 23-14-67-3;
 40 ~~(40)~~ (39) IC 36-7-13-4;
 41 ~~(41)~~ (40) IC 36-7-14-28;
 42 ~~(42)~~ (41) IC 36-7-15.1-16;

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~~(43)~~ (42) IC 36-8-19-8.5;

~~(44)~~ (43) IC 36-9-6.1-2;

~~(45)~~ (44) IC 36-9-17.5-4;

~~(46)~~ (45) IC 36-9-27-73;

~~(47)~~ (46) IC 36-9-29-31;

~~(48)~~ (47) IC 36-9-29.1-15;

~~(49)~~ (48) IC 36-10-6-2;

~~(50)~~ (49) IC 36-10-7-7;

~~(51)~~ (50) IC 36-10-7-8;

~~(52)~~ (51) IC 36-10-7.5-19; and

~~(53)~~ (52) any statute enacted after December 31, 2003, that:

(A) establishes a maximum rate for any part of the:

(i) property taxes; or

(ii) special benefits taxes;

imposed by a political subdivision; and

(B) does not exempt the maximum rate from the adjustment under this section.

(e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

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1 (B) The result of the STEP TWO percentage minus the STEP
2 FIVE percentage.

3 STEP SEVEN: Determine the quotient of the STEP ONE tax rate
4 divided by the sum of one (1) plus the STEP SIX percentage
5 increase.

6 (f) The department of local government finance shall compute the
7 maximum rate allowed under subsection (e) and provide the rate to
8 each political subdivision with authority to levy a tax under a statute
9 listed in subsection (d).

10 SECTION 2. IC 6-1.1-18.5-10 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
12 Sec. 10. (a) The ad valorem property tax levy limits imposed by section
13 3 of this chapter do not apply to ad valorem property taxes imposed by
14 a civil taxing unit to be used to fund:

15 (1) community mental health centers under IC 12-29-2-1 through
16 ~~IC 12-29-2-6~~; IC 12-29-2-5 and IC 12-29-2-13; or

17 (2) community mental retardation and other developmental
18 disabilities centers under IC 12-29-1-1;

19 to the extent that those property taxes are attributable to any increase
20 in the assessed value of the civil taxing unit's taxable property caused
21 by a general reassessment of real property that took effect after
22 February 28, 1979.

23 (b) For purposes of computing the ad valorem property tax levy
24 limits imposed on a civil taxing unit by section 3 of this chapter, the
25 civil taxing unit's ad valorem property tax levy for a particular calendar
26 year does not include that part of the levy described in subsection (a).

27 SECTION 3. IC 12-15-15-1.6 IS ADDED TO THE INDIANA
28 CODE AS A NEW SECTION TO READ AS FOLLOWS
29 [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: **Sec. 1.6. (a) This**
30 **section applies only if the federal Centers for Medicare and**
31 **Medicaid Services determines that payments made under section**
32 **1.5(b) STEP FIVE (A), (B), or (C) of this chapter are not eligible**
33 **for federal financial participation.**

34 (b) **If the federal Centers for Medicare and Medicaid Services**
35 **determines that payments made under section 1.5(b) STEP FIVE**
36 **(A) of this chapter are not eligible for federal financial**
37 **participation, the office may make an alternative payment to a**
38 **payment under section 1.5(b) STEP FIVE (A) of this chapter if:**

39 (1) **the payments for a state fiscal year are made only to a**
40 **hospital that would have been eligible for a payment for that**
41 **state fiscal year under section 1.5(b) STEP FIVE (A) of this**
42 **chapter; and**

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(2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (A) of this chapter for that state fiscal year.

(c) If the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (B) of this chapter are not eligible for federal financial participation, the office may make an alternative payment to a payment under section 1.5(b) STEP FIVE (B) of this chapter if:

(1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (B) of this chapter; and

(2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (B) of this chapter for that state fiscal year.

(d) If the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (C) of this chapter are not eligible for federal financial participation, the office may make an alternative payment to a payment under section 1.5(b) STEP FIVE (C) of this chapter if:

(1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (C) of this chapter; and

(2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (C) of this chapter for that state fiscal year.

(e) If the federal Centers for Medicare and Medicaid Services determines that payments made under subsection (b), (c), or (d) are not eligible for federal financial participation, the office shall use the funds that would have served as the non-federal share of these payments for a state fiscal year to serve as the non-federal share of a payment program for hospitals to be established by the office. The payment program is for the benefit of hospitals and must distribute payments for a state fiscal year based upon a methodology determined by the office to be equitable under the circumstances.

SECTION 4. IC 12-29-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:

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1 Sec. 1. (a) The county executive of a county may authorize the
 2 furnishing of financial assistance to ~~the following:~~

3 ~~(1) A community mental health center that is located or will be~~
 4 ~~located in the county.~~

5 ~~(2) a community mental retardation and other developmental~~
 6 ~~disabilities center that is located or will be located in the county.~~

7 (b) Assistance authorized under this section shall be used for the
 8 following purposes:

9 (1) Constructing a center.

10 (2) Operating a center.

11 (c) Upon request of the county executive, the county fiscal body
 12 may appropriate annually from the county's general fund the money to
 13 provide financial assistance for the purposes described in subsection
 14 (b). The appropriation may not exceed the amount that could be
 15 collected from an annual tax levy of not more than three and
 16 thirty-three hundredths cents (\$0.0333) on each one hundred dollars
 17 (\$100) of taxable property within the county.

18 SECTION 5. IC 12-29-1-2 IS AMENDED TO READ AS
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:

20 Sec. 2. (a) ~~If a community mental health center or a community mental~~
 21 ~~retardation and other developmental disabilities center is organized to~~
 22 ~~provide services to at least two (2) counties, the county executive of~~
 23 ~~each county may authorize the furnishing of financial assistance for the~~
 24 ~~purposes described in section 1(b) of this chapter.~~

25 (b) Upon the request of the county executive of the county, the
 26 county fiscal body of each county may appropriate annually from the
 27 county's general fund the money to provide financial assistance for the
 28 purposes described in section 1(b) of this chapter. The appropriation of
 29 each county may not exceed the amount that could be collected from
 30 an annual tax levy of three and thirty-three hundredths cents (\$0.0333)
 31 on each one hundred dollars (\$100) of taxable property within the
 32 county.

33 SECTION 6. IC 12-29-1-3 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:

35 Sec. 3. (a) The county executive of each county whose residents may
 36 receive services from ~~a community mental health center or a~~
 37 ~~community mental retardation and other developmental disabilities~~
 38 ~~center may authorize the furnishing of a share of financial assistance~~
 39 ~~for the purposes described in section 1(b) of this chapter if the~~
 40 ~~following conditions are met:~~

41 (1) The facilities for the center are located in a state adjacent to
 42 Indiana.

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(2) The center is organized to provide services to Indiana residents.

(b) Upon the request of the county executive of a county, the county fiscal body of the county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. The appropriations of the county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 7. IC 12-29-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
Sec. 4. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house the following:

~~(1) A community mental health center.~~

~~(2)~~ a community mental retardation and other developmental disabilities center.

(b) If services are provided to at least two (2) counties:

(1) bonds of the counties involved may be issued to pay the proportionate cost of the project in the proportion determined and agreed upon by the fiscal bodies of the counties involved; or

(2) bonds of one (1) county may be issued and the remaining counties may annually appropriate to the county issuing the bonds amounts to be applied to the payment of the bonds and interest on the bonds in the proportion agreed upon by the county fiscal bodies of the counties involved.

SECTION 8. IC 12-29-1-7, AS AMENDED BY P.L.215-2001, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 7. (a) On the first Monday in October, the county auditor shall certify to:

~~(1) the division of mental health and addiction; for a community mental health center;~~

~~(2)~~ (1) the division of disability, aging, and rehabilitative services, for a community mental retardation and other developmental disabilities center; and

~~(3)~~ (2) the president of the board of directors of each center;

the amount of money that will be provided to the center under this chapter.

(b) The county payment to the center shall be paid by the county treasurer to the treasurer of each center's board of directors in the following manner:

(1) One-half (1/2) of the county payment to the center shall be made on the second Monday in July.

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(2) One-half (1/2) of the county payment to the center shall be made on the second Monday in December.

A county making a payment under this subsection or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification.

(c) Payments by the county fiscal body

(1) must be in the amounts:

(A) determined by IC 12-29-2-1 through IC 12-29-2-6; and

(B) authorized by section 1 of this chapter; and

(2) are in place of grants from agencies supported within the county solely by county tax money.

SECTION 9. IC 12-29-2-1.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 1.2. (a) The county executive of a county may authorize the furnishing of financial assistance for the purposes described in subsection (b) to a community mental health center that is located or will be located:**

(1) in the county;

(2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or

(3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the county's general fund to provide financial assistance for the community mental health center.

(b) Assistance authorized under this section shall be used for the following purposes:

(1) Constructing a community mental health center.

(2) Operating a community mental health center.

(c) The appropriation from a county authorized under subsection (a) may not exceed the following:

(1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by two and five hundred four thousandths (2.504).

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(2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by two and five hundred four thousandths (2.504).

SECTION 10. IC 12-29-2-2, AS AMENDED BY P.L.1-2004, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) Subject to subsections (b), (c), and (d), A county shall fund the operation of community mental health centers in an the amount not less than the amount that would be raised by an annual tax rate of one and thirty-three hundredths cents (\$0.0133) on each one hundred dollars (\$100) of taxable property within the county, determined under subsection (b), unless a lower tax rate levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

- (1) If the total population of the county is served by one (1) center.
- (2) If the total population of the county is served by more than one (1) center.
- (3) If the partial population of the county is served by one (1) center.
- (4) If the partial population of the county is served by more than one (1) center.

(b) This subsection applies only to a property tax that is imposed in a county containing a consolidated city. The tax rate permitted under subsection (a) for taxes first due and payable after 1995 is the tax rate permitted under subsection (a) as adjusted under this subsection. For each year in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that

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immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective:

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3):

STEP SIX: Determine the greater of the following:

(A) Zero (0):

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage:

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase:

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect:

(c) With respect to a county to which subsection (b) does not apply, The maximum tax rate permitted under subsection (a) for taxes first due and payable in a calendar year 2004 and calendar year 2005 is the maximum tax rate that would have been determined under subsection (d) for taxes first due and payable in 2003 if subsection (d) had applied to the county for taxes first due and payable in 2003:

(d) This subsection applies only to a county to which subsection (b) does not apply. The tax rate permitted under subsection (a) for taxes first due and payable after calendar year 2005 is the tax rate permitted under subsection (c) as adjusted under this subsection. For each year in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect:

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the

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taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined under STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed under STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0);

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate, divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect.

(b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is the following:

(1) For 2004, the amount is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes first due and payable in 2002.

STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.

STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.

(2) For 2005 and each year thereafter, the result equal to:

(A) the amount that was levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing

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calendar year; multiplied by

(B) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.

SECTION 11. IC 12-29-2-13, AS AMENDED BY P.L.215-2001, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 13. (a) This section applies to a Lake County. ~~having a population of not less than four hundred thousand (400,000) but not more than seven hundred thousand (700,000).~~

(b) In addition to any other appropriation under this article, a the county annually may fund each center serving the county from the county's general fund in an amount not exceeding ~~the amount that would be raised by a tax rate of one cent (\$0.01) on each one hundred dollars (\$100) of taxable property within the county~~ the following:

(1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by seven hundred fifty-two thousandths (0.752).

(2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by seven hundred fifty-two thousandths (0.752).

(c) The receipts from the tax levied under this section shall be used for the leasing, purchasing, constructing, or operating of community residential facilities for the chronically mentally ill (as defined in IC 12-7-2-167).

(d) Money appropriated under this section must be:

(1) budgeted under IC 6-1.1-17; and

(2) included in the center's budget submitted to the division of mental health and addiction.

(e) Permission for a levy increase in excess of the levy limitations may be ordered under IC 6-1.1-18.5-15 only if the levy increase is approved by the division of mental health and addiction for a community mental health center.

SECTION 12. IC 12-29-2-17 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 17. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house a community mental health center.

(b) If services are provided to at least two (2) counties:

(1) bonds of the counties involved may be issued to pay the

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proportionate cost of the project in the proportion determined and agreed upon by the fiscal bodies of the counties involved; or

(2) bonds of one (1) county may be issued and the remaining counties may annually appropriate to the county issuing the bonds amounts to be applied to the payment of the bonds and interest on the bonds in the proportion agreed upon by the county fiscal bodies of the counties involved.

SECTION 13. IC 12-29-2-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 18.** All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

(1) The filing of a petition requesting the issuance of bonds.

(2) The giving of notice of the following:

(A) The filing of the petition requesting the issuance of the bonds.

(B) The determination to issue bonds.

(C) A hearing on the appropriation of the proceeds of the bonds.

(3) The right of taxpayers to appear and be heard on the proposed appropriation.

(4) The approval of the appropriation by the department of local government finance.

(5) The right of taxpayers to remonstrate against the issuance of bonds.

SECTION 14. IC 12-29-2-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 19.** If bonds are issued under this chapter:

(1) the building that is constructed, equipped, or improved with proceeds of the bonds is:

(A) the property of the county issuing the bonds; or

(B) the joint property of the counties involved if the bonds are issued by at least two (2) counties; and

(2) the tax limitations in this chapter do not apply to the levy of taxes to pay the bonds and the interest on the bonds.

SECTION 15. IC 12-29-2-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 20. (a)** On the first Monday in October, the county auditor shall certify to:

(1) the division of mental health and addiction, for a

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community mental health center; and

(2) the president of the board of directors of each community mental health center;

the amount of money that will be provided to the community mental health center under this chapter.

(b) The county payment to the community mental health center shall be paid by the county treasurer to the treasurer of each community mental health center's board of directors in the following manner:

(1) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in July.

(2) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in December.

(c) A county making a payment under this section or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification.

(d) Payments by the county fiscal body:

(1) must be in the amounts:

(A) determined by sections 2 through 5 of this chapter; and

(B) authorized by sections 1.2 and 13 of this chapter; and

(2) are in place of grants from agencies supported within the county solely by county tax money.

SECTION 16. IC 12-29-2-6 IS REPEALED [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)].

SECTION 17. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)] (a) IC 12-29-1 and IC 12-29-2, both as amended by this act, apply to property taxes first due and payable after December 31, 2003.

(b) If the department of local government finance determines that compliance with this act would cause an unreasonable delay in the certification of budgets, tax rates, and tax levies in a county, the department of local government finance may certify budgets, tax rates, and tax levies for the county under IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not been passed. However, if the department of local government finance takes this action, the affected county and the department of local government

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1 finance shall provide for an additional shortfall property tax levy
 2 and an additional budgeted amount in 2005 to replace the revenue
 3 lost in 2004 to community mental health centers as a result of
 4 certifying budgets, tax rates, and tax levies for the county under
 5 IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not
 6 been passed.

7 (c) The amount of the shortfall levy under subsection (b) shall
 8 be treated as an addition to the amount allowed in 2005 under
 9 IC 12-29-2, as amended by this act. The ad valorem property tax
 10 levy limits imposed by IC 12-29-2, as amended by this act, do not
 11 apply to ad valorem property taxes imposed under subsection (b).
 12 The shortfall levy imposed under this SECTION may not be
 13 considered in computing ad valorem property tax levies under
 14 IC 12-29-2, as amended by this act, for property taxes first due and
 15 payable after 2005.

16 SECTION 18. [EFFECTIVE JULY 1, 2004] (a) In addition to the
 17 duties specified under IC 2-5-26, the select joint commission on
 18 Medicaid oversight established by IC 2-5-26-3 shall, to the extent
 19 the commission determines is feasible after consultation with the
 20 office of Medicaid policy and planning established by IC 12-8-6-1,
 21 study the following effects of the repeal of continuous eligibility for
 22 children under the Indiana Medicaid program and the children's
 23 health insurance program established under IC 12-17.6-2:

24 (1) Effects on government, including the following:

25 (A) Costs to Medicaid and the division of family and
 26 children established by IC 12-13-1-1 due to more frequent
 27 recertification requirements.

28 (B) Loss of revenue from federal matching funds that could
 29 not be obtained because of the repeal of continuous
 30 eligibility.

31 (2) Effects on the economy, including the following:

32 (A) Indirect cost-shifting to providers due to increased
 33 charity care because recipients have lapses in eligibility.

34 (B) Increased burdens on township assistance (poor relief).

35 (3) Effects on children, including the following:

36 (A) Increases in the level of uninsured children in Indiana.

37 (B) Decreases in wellness and the effects on the educational
 38 abilities of sicker children.

39 (4) Effects on families, including the following:

40 (A) Effects on family income due to the burden of sicker
 41 children.

42 (B) Effects on the ability of parents to maintain stable

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1 employment due to sicker children or more burdensome
2 recertification procedures.

3 (b) The select joint commission on Medicaid oversight shall
4 submit to the legislative council before November 1, 2004, a report
5 of its findings and recommendations concerning the study under
6 subsection (a). The report must be submitted in an electronic
7 format under IC 5-14-6.

8 (c) The office of the secretary of family and social services shall
9 cooperate with the select joint commission on Medicaid oversight
10 and provide the commission with information and data necessary
11 for the commission to carry out this SECTION.

12 (d) This SECTION expires January 1, 2005.

13 SECTION 19. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1320, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1320 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 26, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1320 be amended to read as follows:

Page 14, after line 42, begin a new paragraph and insert:

"SECTION 10. [EFFECTIVE JULY 1, 2004] (a) In addition to the duties specified under IC 2-5-26, the select joint commission on Medicaid oversight established by IC 2-5-26-3 shall, to the extent the commission determines is feasible after consultation with the office of Medicaid policy and planning established by IC 12-8-6-1, study the following effects of the repeal of continuous eligibility for children under the Indiana Medicaid program and the children's health insurance program established under IC 12-17.6-2:

- (1) Effects on government, including the following:**
 - (A) Costs to Medicaid and the division of family and children established by IC 12-13-1-1 due to more frequent recertification requirements.**
 - (B) Loss of revenue from federal matching funds that could not be obtained because of the repeal of continuous eligibility.**
- (2) Effects on the economy, including the following:**
 - (A) Indirect cost-shifting to providers due to increased charity care because recipients have lapses in eligibility.**
 - (B) Increased burdens on township assistance (poor relief).**
- (3) Effects on children, including the following:**
 - (A) Increases in the level of uninsured children in Indiana.**
 - (B) Decreases in wellness and the effects on the educational abilities of sicker children.**
- (4) Effects on families, including the following:**
 - (A) Effects on family income due to the burden of sicker children.**
 - (B) Effects on the ability of parents to maintain stable employment due to sicker children or more burdensome recertification procedures.**

(b) The select joint commission on Medicaid oversight shall submit to the legislative council before November 1, 2004, a report of its findings and recommendations concerning the study under subsection (a). The report must be submitted in an electronic format under IC 5-14-6.

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(c) This SECTION expires January 1, 2005."

Re-number all SECTIONS consecutively.

(Reference is to HB 1320 as printed January 30, 2004.)

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1320, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 6-1.1-18-12, AS ADDED BY P.L.1-2004, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE DECEMBER 12, 2003 (RETROACTIVE)]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

- (1) property tax rate or rates; or
- (2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted:

- (1) each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5; and
- (2) each time a general reassessment of real property takes effect under IC 6-1.1-4-4.

(d) The statutes to which subsection (a) refers are:

- (1) IC 8-10-5-17;
- (2) IC 8-22-3-11;
- (3) IC 8-22-3-25;
- (4) IC 12-29-1-1;
- (5) IC 12-29-1-2;
- (6) IC 12-29-1-3;
- ~~(7) IC 12-29-2-13;~~
- ~~(8)~~ (7) IC 12-29-3-6;
- ~~(9)~~ (8) IC 13-21-3-12;
- ~~(10)~~ (9) IC 13-21-3-15;
- ~~(11)~~ (10) IC 14-27-6-30;
- ~~(12)~~ (11) IC 14-33-7-3;
- ~~(13)~~ (12) IC 14-33-21-5;
- ~~(14)~~ (13) IC 15-1-6-2;
- ~~(15)~~ (14) IC 15-1-8-1;
- ~~(16)~~ (15) IC 15-1-8-2;
- ~~(17)~~ (16) IC 16-20-2-18;

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~~(18)~~ (17) IC 16-20-4-27;
~~(19)~~ (18) IC 16-20-7-2;
~~(20)~~ (19) IC 16-23-1-29;
~~(21)~~ (20) IC 16-23-3-6;
~~(22)~~ (21) IC 16-23-4-2;
~~(23)~~ (22) IC 16-23-5-6;
~~(24)~~ (23) IC 16-23-7-2;
~~(25)~~ (24) IC 16-23-8-2;
~~(26)~~ (25) IC 16-23-9-2;
~~(27)~~ (26) IC 16-41-15-5;
~~(28)~~ (27) IC 16-41-33-4;
~~(29)~~ (28) IC 20-5-17.5-2;
~~(30)~~ (29) IC 20-5-17.5-3;
~~(31)~~ (30) IC 20-5-37-4;
~~(32)~~ (31) IC 20-14-7-5.1;
~~(33)~~ (32) IC 20-14-7-6;
~~(34)~~ (33) IC 20-14-13-12;
~~(35)~~ (34) IC 21-1-11-3;
~~(36)~~ (35) IC 21-2-17-2;
~~(37)~~ (36) IC 23-13-17-1;
~~(38)~~ (37) IC 23-14-66-2;
~~(39)~~ (38) IC 23-14-67-3;
~~(40)~~ (39) IC 36-7-13-4;
~~(41)~~ (40) IC 36-7-14-28;
~~(42)~~ (41) IC 36-7-15.1-16;
~~(43)~~ (42) IC 36-8-19-8.5;
~~(44)~~ (43) IC 36-9-6.1-2;
~~(45)~~ (44) IC 36-9-17.5-4;
~~(46)~~ (45) IC 36-9-27-73;
~~(47)~~ (46) IC 36-9-29-31;
~~(48)~~ (47) IC 36-9-29.1-15;
~~(49)~~ (48) IC 36-10-6-2;
~~(50)~~ (49) IC 36-10-7-7;
~~(51)~~ (50) IC 36-10-7-8;
~~(52)~~ (51) IC 36-10-7.5-19; and
~~(53)~~ (52) any statute enacted after December 31, 2003, that:
 (A) establishes a maximum rate for any part of the:
 (i) property taxes; or
 (ii) special benefits taxes;
 imposed by a political subdivision; and
 (B) does not exempt the maximum rate from the adjustment
 under this section.

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(e) The new maximum rate under a statute listed in subsection (d) is the tax rate determined under STEP SEVEN of the following STEPS:

STEP ONE: Determine the maximum rate for the political subdivision levying a property tax or special benefits tax under the statute for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 2. IC 6-1.1-18.5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:

Sec. 10. (a) The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a civil taxing unit to be used to fund:

(1) community mental health centers under ~~IC 12-29-2-1~~ IC 12-29-2-2 through ~~IC 12-29-2-6~~; IC 12-29-2-5; or

(2) community mental retardation and other developmental

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disabilities centers under IC 12-29-1-1;
to the extent that those property taxes are attributable to any increase in the assessed value of the civil taxing unit's taxable property caused by a general reassessment of real property that took effect after February 28, 1979.

(b) For purposes of computing the ad valorem property tax levy limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy described in subsection (a).

SECTION 3. IC 12-29-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
Sec. 1. (a) The county executive of a county may authorize the furnishing of financial assistance to ~~the following~~:

~~(1) A community mental health center that is located or will be located in the county.~~

~~(2) a community mental retardation and other developmental disabilities center that is located or will be located in the county.~~

(b) Assistance authorized under this section shall be used for the following purposes:

(1) Constructing a center.

(2) Operating a center.

(c) Upon request of the county executive, the county fiscal body may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in subsection (b). The appropriation may not exceed the amount that could be collected from an annual tax levy of not more than three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 4. IC 12-29-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]:
Sec. 2. (a) ~~If a community mental health center or a community mental retardation and other developmental disabilities center is organized to provide services to at least two (2) counties, the county executive of each county may authorize the furnishing of financial assistance for the purposes described in section 1(b) of this chapter.~~

(b) Upon the request of the county executive of the county, the county fiscal body of each county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. The appropriation of each county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the

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county.

SECTION 5. IC 12-29-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 3. (a) The county executive of each county whose residents may receive services from ~~a community mental health center~~ or a community mental retardation and other developmental disabilities center may authorize the furnishing of a share of financial assistance for the purposes described in section 1(b) of this chapter if the following conditions are met:

- (1) The facilities for the center are located in a state adjacent to Indiana.
- (2) The center is organized to provide services to Indiana residents.

(b) Upon the request of the county executive of a county, the county fiscal body of the county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. The appropriations of the county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

SECTION 6. IC 12-29-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 4. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house ~~the following~~:

- ~~(1) A community mental health center;~~
- ~~(2) a community mental retardation and other developmental disabilities center.~~

(b) If services are provided to at least two (2) counties:

- (1) bonds of the counties involved may be issued to pay the proportionate cost of the project in the proportion determined and agreed upon by the fiscal bodies of the counties involved; or
- (2) bonds of one (1) county may be issued and the remaining counties may annually appropriate to the county issuing the bonds amounts to be applied to the payment of the bonds and interest on the bonds in the proportion agreed upon by the county fiscal bodies of the counties involved.

SECTION 7. IC 12-29-1-7, AS AMENDED BY P.L.215-2001, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 7. (a) On the first Monday in October, the county auditor shall certify to:

- ~~(1) the division of mental health and addiction; for a community mental health center;~~

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~~(2)~~ (1) the division of disability, aging, and rehabilitative services, for a community mental retardation and other developmental disabilities center; and

~~(3)~~ (2) the president of the board of directors of each center;

the amount of money that will be provided to the center under this chapter.

(b) The county payment to the center shall be paid by the county treasurer to the treasurer of each center's board of directors in the following manner:

(1) One-half (1/2) of the county payment to the center shall be made on the second Monday in July.

(2) One-half (1/2) of the county payment to the center shall be made on the second Monday in December.

~~A county making a payment under this subsection or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification:~~

(c) Payments by the county fiscal body

~~(1) must be in the amounts:~~

~~(A) determined by IC 12-29-2-1 through IC 12-29-2-6; and~~

~~(B) authorized by section 1 of this chapter; and~~

~~(2) are in place of grants from agencies supported within the county solely by county tax money.~~

SECTION 8. IC 12-29-2-1.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 1.2. (a) The county executive of a county may authorize the furnishing of financial assistance for the purposes described in subsection (b) to a community mental health center that is located or will be located:

(1) in the county;

(2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or

(3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the

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county's general fund to provide financial assistance for the community mental health center.

(b) Assistance authorized under this section shall be used for the following purposes:

- (1) Constructing a community mental health center.
- (2) Operating a community mental health center.

(c) The appropriation from a county authorized under subsection (a) may not exceed the following:

- (1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by two and five hundred four thousandths (2.504).
- (2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by two and five hundred four thousandths (2.504).

SECTION 9. IC 12-29-2-2, AS AMENDED BY P.L.1-2004, SECTION 54, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 2. (a) ~~Subject to subsections (b), (c), and (d),~~ A county shall fund the operation of community mental health centers in ~~an~~ the amount ~~not less than the~~ amount that would be raised by an annual tax rate of one and thirty-three hundredths cents (~~\$0.0133~~) on each one hundred dollars (\$100) of taxable property within the county, **determined under subsection (b)**, unless a lower tax **rate levy amount** will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

- (1) If the total population of the county is served by one (1) center.
- (2) If the total population of the county is served by more than one (1) center.
- (3) If the partial population of the county is served by one (1) center.
- (4) If the partial population of the county is served by more than one (1) center.

~~(b) This subsection applies only to a property tax that is imposed in a county containing a consolidated city. The tax rate permitted under subsection (a) for taxes first due and payable after 1995 is the tax rate permitted under subsection (a) as adjusted under this subsection. For each year in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as~~

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follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0);

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect.

(c) With respect to a county to which subsection (b) does not apply, The maximum tax rate permitted under subsection (a) for taxes first due and payable in a calendar year 2004 and calendar year 2005 is the maximum tax rate that would have been determined under subsection (d) for taxes first due and payable in 2003 if subsection (d) had applied to the county for taxes first due and payable in 2003.

(d) This subsection applies only to a county to which subsection (b) does not apply. The tax rate permitted under subsection (a) for taxes first due and payable after calendar year 2005 is the tax rate permitted under subsection (c) as adjusted under this subsection. For each year

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in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect; the department of local government finance shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined under STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed under STEP FOUR by three (3):

STEP SIX: Determine the greater of the following:

(A) Zero (0):

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage:

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase:

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect.

(b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is the following:

(1) For 2004, the amount is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes

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first due and payable in 2002.

STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.

STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.

(2) For 2005 and each year thereafter, the result equal to:

(A) the amount that was levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing calendar year; multiplied by

(B) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.

SECTION 10. IC 12-29-2-13, AS AMENDED BY P.L.215-2001, SECTION 80, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 13. (a) This section applies to a Lake County having a population of not less than four hundred thousand (400,000) but not more than seven hundred thousand (700,000):

(b) In addition to any other appropriation under this article, a the county annually may fund each center serving the county from the county's general fund in an amount not exceeding the amount that would be raised by a tax rate of one cent (\$0.01) on each one hundred dollars (\$100) of taxable property within the county the following:

(1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by seven hundred fifty-two thousandths (0.752).

(2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by seven hundred fifty-two thousandths (0.752).

(c) The receipts from the tax levied under this section shall be used for the leasing, purchasing, constructing, or operating of community residential facilities for the chronically mentally ill (as defined in IC 12-7-2-167).

(d) Money appropriated under this section must be:

(1) budgeted under IC 6-1.1-17; and

(2) included in the center's budget submitted to the division of mental health and addiction.

(e) Permission for a levy increase in excess of the levy limitations

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may be ordered under IC 6-1.1-18.5-15 only if the levy increase is approved by the division of mental health and addiction for a community mental health center.

SECTION 11. IC 12-29-2-17 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 17. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house a community mental health center.**

(b) If services are provided to at least two (2) counties:

- (1) bonds of the counties involved may be issued to pay the proportionate cost of the project in the proportion determined and agreed upon by the fiscal bodies of the counties involved; or**
- (2) bonds of one (1) county may be issued and the remaining counties may annually appropriate to the county issuing the bonds amounts to be applied to the payment of the bonds and interest on the bonds in the proportion agreed upon by the county fiscal bodies of the counties involved.**

SECTION 12. IC 12-29-2-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 18. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:**

- (1) The filing of a petition requesting the issuance of bonds.**
- (2) The giving of notice of the following:**
 - (A) The filing of the petition requesting the issuance of the bonds.**
 - (B) The determination to issue bonds.**
 - (C) A hearing on the appropriation of the proceeds of the bonds.**
- (3) The right of taxpayers to appear and be heard on the proposed appropriation.**
- (4) The approval of the appropriation by the department of local government finance.**
- (5) The right of taxpayers to remonstrate against the issuance of bonds.**

SECTION 13. IC 12-29-2-19 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 19. If bonds are issued under this chapter:**

- (1) the building that is constructed, equipped, or improved**

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with proceeds of the bonds is:

- (A) the property of the county issuing the bonds; or
- (B) the joint property of the counties involved if the bonds are issued by at least two (2) counties; and
- (2) the tax limitations in this chapter do not apply to the levy of taxes to pay the bonds and the interest on the bonds.

SECTION 14. IC 12-29-2-20 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **Sec. 20. (a) On the first Monday in October, the county auditor shall certify to:**

- (1) the division of mental health and addiction, for a community mental health center; and
- (2) the president of the board of directors of each community mental health center;

the amount of money that will be provided to the community mental health center under this chapter.

(b) The county payment to the community mental health center shall be paid by the county treasurer to the treasurer of each community mental health center's board of directors in the following manner:

- (1) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in July.
- (2) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in December.

(c) A county making a payment under this section or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification.

(d) Payments by the county fiscal body:

- (1) must be in the amounts:
 - (A) determined by sections 2 through 5 of this chapter; and
 - (B) authorized by sections 1.2 and 13 of this chapter; and
- (2) are in place of grants from agencies supported within the county solely by county tax money.

SECTION 15. IC 12-29-2-6 IS REPEALED [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)].

SECTION 16. [EFFECTIVE JANUARY 1, 2004

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(RETROACTIVE)] (a) IC 12-29-1 and IC 12-29-2, both as amended by this act, apply to property taxes first due and payable after December 31, 2003.

(b) If the department of local government finance determines that compliance with this act would cause an unreasonable delay in the certification of budgets, tax rates, and tax levies in a county, the department of local government finance may certify budgets, tax rates, and tax levies for the county under IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not been passed. However, if the department of local government finance takes this action, the affected county and the department of local government finance shall provide for an additional shortfall property tax levy and an additional budgeted amount in 2005 to replace the revenue lost in 2004 to community mental health centers as a result of certifying budgets, tax rates, and tax levies for the county under IC 6-1.1-18-12, IC 12-29-1, and IC 12-29-2 as if this act had not been passed.

(c) The amount of the shortfall levy under subsection (b) shall be treated as an addition to the amount allowed in 2005 under IC 12-29-2, as amended by this act. The ad valorem property tax levy limits imposed by IC 12-29-2, as amended by this act, do not apply to ad valorem property taxes imposed under subsection (b). The shortfall levy imposed under this SECTION may not be considered in computing ad valorem property tax levies under IC 12-29-2, as amended by this act, for property taxes first due and payable after 2005."

Delete pages 2 through 14.

Page 15, line 35, after "(c)" insert "The office of the secretary of family and social services shall cooperate with the select joint commission on Medicaid oversight and provide the commission with information and data necessary for the commission to carry out this SECTION.

(d)".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1320 as reprinted February 3, 2004.)

MILLER, Chairperson

Committee Vote: Yeas 11, Nays 0.

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1320 be amended to read as follows:

Page 4, line 15, reset in roman "IC 12-29-2-1".

Page 4, line 16, delete "IC 12-29-2-2".

Page 4, line 16, delete "IC 12-29-2-5;" and insert "**IC 12-29-2-5 and IC 12-29-2-13;**".

(Reference is to EHB 1320 as printed February 13, 2004.)

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1320 be amended to read as follows:

Page 4, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 3. IC 12-15-15-1.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: **Sec. 1.6. (a) This section applies only if the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (A), (B), or (C) of this chapter are not eligible for federal financial participation.**

(b) If the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (A) of this chapter are not eligible for federal financial participation, the office may make an alternative payment to a payment under section 1.5(b) STEP FIVE (A) of this chapter if:

(1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (A) of this chapter; and

(2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (A) of this chapter for that state fiscal year.

(c) If the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (B) of this chapter are not eligible for federal financial participation, the office may make an alternative payment to a



payment under section 1.5(b) STEP FIVE (B) of this chapter if:

- (1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (B) of this chapter; and
- (2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (B) of this chapter for that state fiscal year.

(d) If the federal Centers for Medicare and Medicaid Services determines that payments made under section 1.5(b) STEP FIVE (C) of this chapter are not eligible for federal financial participation, the office may make an alternative payment to a payment under section 1.5(b) STEP FIVE (C) of this chapter if:

- (1) the payments for a state fiscal year are made only to a hospital that would have been eligible for a payment for that state fiscal year under section 1.5(b) STEP FIVE (C) of this chapter; and
- (2) the payments for a state fiscal year to each hospital are an amount that is as equal as possible to the amount each hospital would have received under section 1.5(b) STEP FIVE (C) of this chapter for that state fiscal year.

(e) If the federal Centers for Medicare and Medicaid Services determines that payments made under subsection (b), (c), or (d) are not eligible for federal financial participation, the office shall use the funds that would have served as the non-federal share of these payments for a state fiscal year to serve as the non-federal share of a payment program for hospitals to be established by the office. The payment program is for the benefit of hospitals and must distribute payments for a state fiscal year based upon a methodology determined by the office to be equitable under the circumstances."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1320 as printed February 13, 2004.)

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